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BY THE COMPTROLLER GENERAL

Report To The Congress

OF THE UNITED STATES

COMPLETED

Billions Could Be Saved Through Waivers For Coastal Wastewater Treatment Plants

In many locations discharges of primary treated municipal wastes are not harmful to the marine environment. Giving waivers to coastal communities in these locations so they do not have to build Federally required secondary treatment facilities could save billions in Federal, State, and local construction and operation and maintenance dollars.

Hundreds of communities have been prevented from applying for these waivers because of legislative constraints and restrictive Environmental Protection Agency regulations.

The Congress and EPA should reopen, modify, and continue the waiver application process.

SUMMARY

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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

BILLIONS COULD BE SAVED THROUGH WAIVERS FOR COASTAL WASTEWATER TREATMENT PLANTS

D I G E S T

The Clean Water Act of 1977 allows the Environmental Protection Agency (EPA) to grant waivers to publicly owned wastewater treatment facilities so that they can discharge primary treated municipal waste into the marine environment when it can be shown that costly secondary treatment is not necessary. Many communities, however, have been discouraged from applying for secondary treatment waivers because of legislative constraints, such as limiting the application period to 270 days from the date of the act, and restrictive EPA administration of the waiver provision.

Scientists and others believe administrative changes could be made to allow for prompt waiver decisions when the risk to the environment is minimal. GAO believes that EPA and the Congress could protect the environment yet take advantage of this savings potential by reopening, modifying, and continuing the waiver process.

HUNDREDS OF COMMUNITIES DID NOT APPLY

Although 230 communities submitted preliminary applications, only 70 submitted final waiver applications to EPA. As of April 1, 1981, EPA had not made any waiver decisions.

GAO identified hundreds of additional communities, representing billions of dollars in possible construction savings, which did not apply for waivers. Even though some communities were not able to take advantage of the waivers, the substantial potential cost savings indicate that many communities should be given another opportunity to apply and be considered for waivers. (See p. 6.)

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LEGISLATIVE CONSTRAINTS AND EPA PROGRAM ADMINISTRATION HAVE DISCOURAGED APPLICANTS

GAO visited 34 coastal communities to determine why potential applicants did not apply for waivers, what problems communities that did apply had with the legislation and EPA's administration of it, what could be done to encourage additional communities to apply, and the potential construction and operation and maintenance cost savings for these particular communities. The total potential construction cost savings for the 34 communities are about $1.3 billion and the annual operation and maintenance cost savings are about $49 million. (See p. 11.)

Nineteen of the 34 communities are awaiting EPA waiver decisions. The other 15 communities either were not eligible because of legislative constraints or are no longer eligible since they did not file final waiver applications within the application time frame. For these 15 communities, up to $199 million in construction and about $9 million in annual operation and maintenance cost savings from waivers may be lost if changes are not made to the waiver provision. (See p. 11.)

The Clean Water Act limited some communities from obtaining a secondary treatment waiver. It provided limited time for communities to apply for waivers and it also provided that communities without existing marine outfalls (places where effluents are discharged into the sea) were ineligible for these waivers. (See p. 11.)

EPA's restrictive administration took several forms, including complex waiver regulations and extensive information requirements. The cost to obtain basic water quality data and prepare waiver applications made it very difficult for communities to submit complete applications. In addition, Federal funding was not provided for waiver studies. Finally, because of EPA's current definition of "best practicable wastewater treatment technology," all communities will be required to have secondary treatment by 1983, regardless of whether they receive waivers. (See p. 22.)

SCIENTISTS AND OTHERS FAVOR A CHANGE IN APPROACH

The scientific and environmental groups and others GAO contacted believe the domestic wastes from communities, especially small ones, are often not harmful to the marine environment, particularly where discharges occur in open waters. Therefore, they believe the standardized application and review process EPA uses for all communities, irrespective of size and type of discharge, is not well suited to the waiver provision. (See p. 23.)

They state that the provision would be more effective if a stratified application and review process were used; that is, a process that considers size and type of discharge. Less detailed data would be required and waivers could be granted more rapidly to small communities discharging only domestic wastes into waters where the impact is minimal. Detailed data would be required and more careful analysis would be done for larger discharges and those containing industrial wastes. The degree of analysis done would also depend on the marine environment into which the discharges were being made, with more analysis done for sites that have unfavorable ocean conditions. (See p. 23.)

All scientists and others GAO interviewed favor this stratified approach because it would focus more attention on dischargers that have the most potential to harm the environment, while allowing others to receive waivers promptly. (See p. 23.)

EPA has developed simplified procedures for a few communities. (See p. 26.) An extension of those procedures would ease the regulatory burden for hundreds of other communities. (See p. 27.)

QUICK LEGISLATIVE AND REGULATORY CHANGES COULD LIMIT UNNECESSARY EXPENDITURES

Many potential waiver applicants are currently having to spend millions of dollars on secondary treatment facilities, and many construction decisions are impending. Quick congressional and EPA action could limit these unnecessary expenditures. (See p. 28.)

RECOMMENDATION TO THE CONGRESS

The Congress should amend the Clean Water Act of 1977 to allow for a continuous secondary discharge waiver process, for all coastal communities where the communities have shown that the risk of environmental damage is minimal.

In particular, GAO believes that the Congress should

--eliminate the requirement that treatment facilities must have an existing marine outfall to qualify for a waiver,

--remove the statutory deadline for filing waiver applications and provide for a continuous waiver process, and

--indicate that the waiver provision is not intended to preclude communities already achieving secondary treatment from obtaining waivers in cases where primary treatment is both cost effective and environmentally sound.

RECOMMENDATIONS TO THE ADMINISTRATOR, EPA

EPA should act to take full advantage of the cost savings potential. GAO's recommendations to the EPA Administrator are listed in chapter 6. (See p. 34.)

AGENCY COMMENTS AND OUR EVALUATION

In a March 16, 1981, letter, EPA stated that it generally agrees with many of GAO's proposals and believes that the report has treated a number of issues related to marine outfalls in a sensible, constructive manner. EPA believes, however, that the report should contain a more realistic discussion of the cost savings associated with secondary treatment waivers, including more detail about marine outfalls. It believes that more cost and environmental data should be developed before the waiver provision is reopened and expanded. Finally, EPA is concerned that the report takes positions on issues under litigation.

The examples GAO used in the report to illustrate significant possible savings were developed from the best information EPA had available.

Rather than discounting the potential savings, GAO encourages EPA to vigorously pursue the possible savings available through secondary treatment waivers. GAO believes the size of the possible cost savings and imminent construction decisions support the immediate reopening of the waiver legislation and modification of the waiver regulations. GAO has revised the report to protect against unnecessary impacts on issues under litigation. (See pp. 34 to 42.)

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ABBREVIATIONS

EPA	Environmental Protection Agency
GAO	General Accounting Office
METRO	Municipality of Metropolitan Seattle
MGD	million gallons per day
O&M	operation and maintenance